



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES STATE OF CALIFORNIA

Larry J. Monteilh, Executive Officer
Clerk of the Board of Supervisors
385 Hall of Administration
Los Angeles, California 90012

Chief Administrative Officer

At its meeting held November 26, 1991, the Board took the following action:

55

The following matter was called up for consideration:

Chief Administrative Officer's attached recommendation to authorize the Long Beach and Los Angeles Municipal Courts to accept credit cards for the payment of traffic fines, fees and bail forfeitures by means of automated equipment, as pilot programs for the period of one year.

James Weiver, addressed the Board.

After discussion, at the suggestion of Supervisor Antonovich and on motion of Supervisor Dana, seconded by Supervisor Antonovich, unanimously carried (Supervisor Hahn being absent), the Chief Administrative Officer's aforementioned recommendations were adopted as amended to include:

1. That the Board seek legislation which allows the Board to pass cost of the surcharge to the cardholder; and
2. That the Chief Administrative Officer evaluate the effectiveness of the pilot program and notify the Board of how much income was generated by the pilot program as well as the cost; and that no further action be taken to expand the pilot until the Board has received an evaluation from the Chief Administrative Officer.

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Attachment

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01157



COUNTY OF LOS ANGELES CHIEF ADMINISTRATIVE OFFICE

October 31 1991

Executive Summary

ACCEPTANCE OF CREDIT CARDS FOR COURT PAYMENTS (3-VOTES)

Request

Approval of authorization for the acceptance of credit cards for payment of traffic fines, fees, and bail forfeitures by means of automated equipment. This project would be a pilot program involving the Long Beach Municipal Court and the Los Angeles Municipal Court that could possibly be expanded to other court districts dependent upon the success of these pilots. These pilot programs will run for a one year period, at which time each court will evaluate the program's effectiveness. If the pilot programs prove to be successful, the courts will request Board approval of formal programs at that time.

Fiscal Impact

The full fiscal impact has not yet been determined by the courts, but it is believed that the availability of automated equipment during and after normal court operations will increase collections and give better access to the Clerk's offices. It is estimated that approximately 30 percent of traffic transactions for the Long Beach Municipal Court and 10 percent for the Los Angeles Municipal Court are being projected to be assumed by the automated equipment. The bank that will process the credit card transactions will charge a fee of 2.05 percent that will be deducted and paid prior to any statutory or other distribution of funds as outlined in the Government Code. The courts expect increased collections and decreases in operating costs from the program to more than offset the fee charged by the bank. The actual fiscal impact will be determined during the pilot period of the project.

Issues

The Courts believe that offering the option of accepting credit cards by means of automated equipment for the payment of fines and fees will generate additional revenue. The Government Code requires a court to obtain approval by the Board of Supervisors in order to authorize the use of credit cards for the payment of fines, fees, and bail forfeitures.



**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE**

October 31, 1991

The Honorable Board of Supervisors
County of Los Angeles
383 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors

ACCEPTANCE OF CREDIT CARDS FOR COURT PAYMENTS (3-VOTES)

Section 6159 of the Government Code requires a court to obtain approval from the Board of Supervisors to authorize the use of credit cards for the payment of fines, fees, and bail forfeitures for any offense not declared to be a felony. The Long Beach and the Los Angeles Municipal Courts are requesting such approval in order to implement pilot programs utilizing automated equipment to accept credit cards for the payment of traffic fines, fees, and bail forfeitures. The term of these pilot programs will be for the period of one year from approval by your Board, at which each court will prepare an evaluation of the effectiveness of each project. At that time the courts will request subsequent approval from your Board to extend and/or expand these programs indefinitely if these pilots prove to be successful.

The Long Beach Municipal Court believes that an automated kiosk could potentially have the effect on the payment of traffic fines and fees that automated teller machines (ATM's) had on the banking industry. The benefits of utilizing the kiosk are quicker response for the payment of traffic fines and fees, reduction of staff time to provide these services, and reaching additional citizens by providing an alternative for the payment of traffic fines and fees. The kiosk represents a forward thinking technology which would allow the Court another means to improve upon its service to the public.

Honorable Board of Supervisors
October 31, 1991
Page 2

The Long Beach Municipal Court is projecting that approximately thirty percent of their traffic department's current monthly transactions conducted at the public-access windows will be assumed by the kiosk. This equates to a volume of 1,568 transactions projected to be handled by the kiosk monthly.

The Los Angeles Municipal Court believes that the use of the telephone to accept payment for bail forfeitures will reduce the volume of mail-in bails and court visits. In addition to the benefits identified for the kiosk, the Traffic Interactive Payment System (TIPS) will help reduce traffic to the downtown area and provide a convenient method for paying bail forfeitures. It should be noted, that although TIPS only handles the payment of single bail violations, traffic school sign-ups, and extensions, these are only a few of the processing capabilities of the kiosk. In terms of the volume of transactions, the Los Angeles Municipal Court projects that up to 10 percent of its monthly traffic citations could be processed by TIPS by the end of the first year of operation. This equates to approximately 600 transactions per month.

Bank of America will perform the processing of the credit card transactions conducted on the kiosk, and the bank will charge a 2.05 percent fee for each transaction processed. Section 6159 of the Government Code requires that these fees be deducted or accounted for prior to any statutory or other distribution of funds generated by these kiosk credit card transactions. The courts believe that this processing fee charged by the bank will not have a negative effect on revenue, but will be offset by and may increase revenues due to increased collections by offering an additional payment method.

Honorable Board of Supervisors
October 31, 1991
Page 3

THEREFORE, IT IS RECOMMENDED THAT YOUR BOARD:

Approve the authorization for the Long Beach Municipal Court and the Los Angeles Municipal Court to accept credit cards for the payment of traffic fines, fees, and bail forfeitures by means of automated equipment as pilot programs for the period of one year from approval of this request

Respectfully submitted,



RICHARD B. DIXON
Chief Administrative Officer

RBD:MJH
RS:ca2

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Treasurer and Tax Collector
Long Beach Municipal Court
Los Angeles Municipal Court

credited, lmk